

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2837 – SB 2699

April 18, 2012

SUMMARY OF AMENDMENT (015015): Grants access to the discount, rebate, pricing, and descriptions of financial arrangements cited in Tenn. Code Ann. § 10-7-504 (n), as submitted in a procurement or as a report to a contractor, to the Comptroller of the Treasury for the purpose of conducting audits or program evaluations. Prohibits any official, employee, or agent of the state from releasing or providing for the release any of the information that is subject to confidential custody. The provisions of the bill as amended will be effective September 1, 2012.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – Due to a number of unknown factors, a direct fiscal impact cannot be quantified. It is estimated that any fiscal impact directly related to the state's ability to procure a contract for pharmacy benefit manager services will not occur until FY13-14 at the earliest based on the termination date of the current contract.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

NOT SIGNIFICANT

Assumptions applied to amendment:

- Pursuant to Tenn. Code Ann. § 10-7-504 (n) and (o), the following documents and information must remain confidential after completion of the evaluation period of a request for proposal or other procurement method: (1) discount, rebate, pricing, or other financial arrangements at the individual drug level between pharmaceutical manufacturers, pharmaceutical wholesalers/distributors, and pharmacy benefits managers; and (2) discount, rebate, pricing, or other financial arrangements at the individual provider level between health care providers and health insurance entities, insurers, insurance arrangements, and third party administrators.
- Granting the Comptroller's Office access to the information for audit purposes will not significantly change the current workload of the Office. Any cost can be accommodated within existing resources without an increased appropriation or reduced reversion.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/kml